= 7			_	UTAH OIL	AND GAS-GONS	SERVATION CO	MMISSION	<u> </u>		-	
REMARKS:	WELL LOG		ECTRIC LOGS	FILE X	water sands	LOCATIO	ON INSPE		SUB	REPORT/abd.	
97102	7 6	AID	et 10.1	7.97							
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			·	··.						<u></u>	
DATE FILED			R 28, 199	5						(NID)AN	-
LAND: FEE & P.					Pt	UBLIC LEASE NO.				INDIAN	
DRILLING APPR	OVED: A	UGUST	6, 1996								_
SPUDDED IN:	` .										
COMPLETED:	10.17	·971	PUT TO PRODUC	CING:							
INITIAL PRODU	ICTION:									2	
GRAVITY A.P.I.							W. C.			·	
GOR.											
PRODUCING ZO	ONES:	1									
TOTAL DEPTH.			<u> </u>								
WELL ELEVATION	ON:	1.1111111									
DATE ABANDO	NED: 10	17.0	17 CA'Z	7							
FIELD:	U	NDESIG	NATED								
UNIT:											****
COUNTY:	C	ARBON				-					
WELL NO.		AMP I NO	05 16-131			API	NO. 43	3-007-	30311		
LOCATION	1150 F	NL	FT. FROM (N) (S) LINE,	1150	FWL	FT. FROM (E) (W)	LINE. N	W NW		1/4 - 1/4 SEC. 16	
· · · · · · · · · · · · · · · · · · ·											
TWP.	RGE	SEC.	OPERATOR			TWP.	RGE.	SEC.	OPERATOR		
	<u> </u>					155	10E	16	RIVER	GAS CORP.	/



River Gas Corp. Sampinon 16-13/freste 6/27/96 43-007-30311 NWNW S.16,7155, RIDE View Southwestward toward rearest habitation. Miller Ck. drainage passes behind trees. Stake is circled on the photo



River Gas losp, Sampinos 16-13/ Fresite 43-007-303/1 NWNW S.16,7155, RIDE 6/27/96 View Northward - Road& grass line behind vehicles defines edge of Carbon Canal. Stake is circled on photo. CE



River Gas Corp., Sampines 16-131 Presite 42/96 43-007-30311 NWNW 5.16, T 155, RIDE View to south (Miller Ck. drainocfl at near treeline).



River Gas Corp Sampinos 16-131 Presite 6/27/96 43-007-30311 NWNWS-16, TISS, RIDE View northward with road and grassline behind vehicles defining the edge of the Carbon Cand. Stake is circled on the photo

A



Presite 5 ampinos 16-13/ (River Gas-Open)
6/27/96 View toward south (Miller Creek Drainage @ near line of trees) 43-007-303// NW NW 5.16, T155, R10E

4

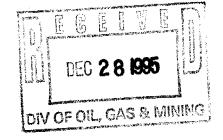


RIVER GAS CORPORATION

511 Energy Center Blvd. Northport, Alabama 35476 Phone (205) 759-3282 Fax (205) 759-3188 (Accounting)

December 20, 1995

Fax (205) 758-5309 (Corporate)



Mr. Michael Hebertson Utah Board of Oil, Gas, and Mining Suite 350, 3 Triad Center 355 West North Temple Salt Lake City, Utah 84180-1203

RE: Application for Permit to Drill -Sampinos 16-131, NW 1/4 of NW 1/4 of Sec. 16, T15S, R10E S.L.B. & M., Carbon County, Utah

Dear Mr. Hebertson:

Enclosed is an original and one copy of an "Application for Permit to Drill" for the well named above. Attached to the APD is the following information, as prepared by Powers Elevation Co., Inc:

Exhibit "A": Copy of survey plat of proposed well site

Exhibit "B": Drilling Program

Exhibit "C": B.O.P. Diagram

Exhibit "D": Surface Use Plan

Exhibit "E": Proposed Location/Access

Exhibit "F": Typical Road X-Section

Exhibit "G": Location Layout

Exhibit "H": Well Site Layout

Exhibit "I": Evidence of Bond

Exhibit "E" illustrates the proposed pipeline and road routes from the well site, but may be subject to change due to land owner's request.

Please accept this letter as our request that all information regarding this permit be kept confidential, if said information is eligible for such consideration. This request is made in accordance with State of Utah Oil and Gas rule # R649-2-11.

Thank you for your assistance. Please feel free to contact me if you have questions.

Sincerely,

Zeny V. Bury

Terry D. Burns

Geologist

cc: Mr. Edward W. Bonner, Utah Department of Natural Resources

Mr. Eric Jones, BLM in Moab, Utah

Mr. Dean Nyffler, BLM in Price, Utah

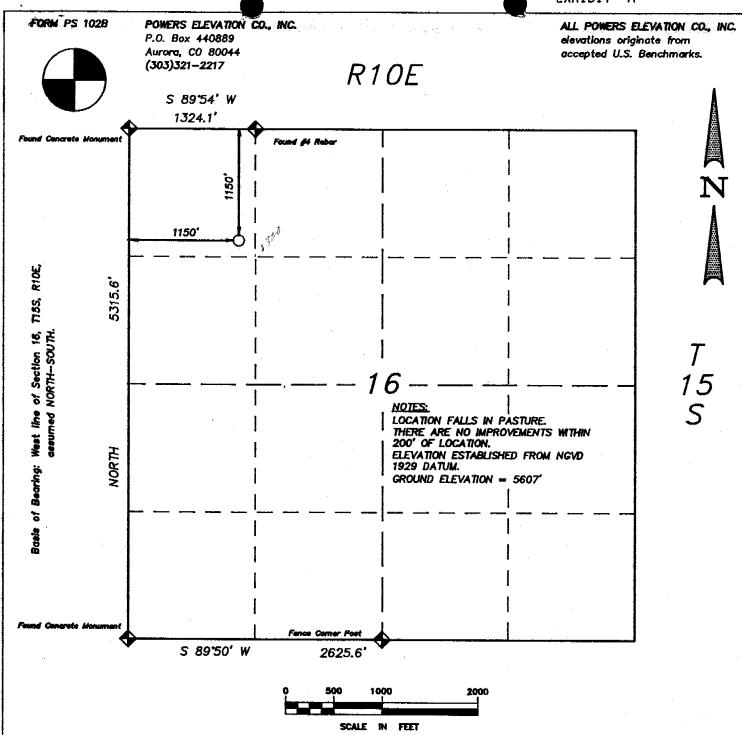
Mr. Robert A. Hendricks, BLM in Salt Lake City, Utah

Mr. J.R. French, Texaco Mr. R.A. Lamarre, Texaco

Mr. Gee Lake, Jr., Dominion Reserves

	•	-					
v	6	Lesse	Doeig	nation	and	Sorial	Number:

			DEO BO		Patented	
APPLI	CATION FOR PE	RMIT TO DRILL	PR HERENAS	8 MINI	G Indian, Allottee or Trib	e Name:
1A. Type of Work:	DRILL [7]	DEEPEN	The same of the sa		7. Unit Agreement Name:	
B. Type of Well: OIL		SINGLE :	ZONE MULTIPLE Z	ONE 🗍	8. Farm or Lease Name:	
L. IJACU III.	GASET OTHER				Sampinos 9. Well Number:	
. Name of Operator:			e e		16-131	
River Gas Co					10. Field and Pool, or Wil	icat:
511 Energy (Center Blvd., Nor	rthport, AL 3547	76		Wildcat	
At Proposed Producing Zope	FNL & 1150' FWL	See now plat.	APD w/ra and Nawloca 8/5/96	vised tun	NW/NW, Sec. T15S, R10E	16,
4. Clubance in miles and direct	ton from reserved town or post office: outh of Price, U				12 County: Carbon	13. State: UTAH
15. Distance to negreet property or lease line (foot):		16. Number of acres in lease 462.25	:	17. Numb	per of mores assigned to this v	reli:
16. Distance to recreat well, dr completed, or applied for, o	Ming, on this lease fleet): N/a	19. Proposed Depth: 1439			y or cable tools: tary	· · · · · · · · · · · · · · · · · · ·
5619 GR	F, RT, GR, etc.):				May 1996	k will start:
5 .	PROP	OSED CASING AND	CEMENTING PRO	OGRAM		
8/ZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	110	QUANTITY OF CEM	
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7 7/0	3 1/2	17 //	1100		× - × - 111	
	SEE EXHIBIT "B	П				
EXHIBITS AT		ata on present productive zone an owicut preventer program, if any.	d proposed new productive zone	e. If proposed in	s to drill or deepen directional	ily, give perlinent data on
EXHIBIT "A" EXHIBIT "B" EXHIBIT "C" EXHIBIT "D" EXHIBIT "E" EXHIBIT "F"	Drilling Progr BDPE Diagram Surface Use Pl Proposed Locat Typical Road X	an ion/Access		·		
EXHIBIT "G" EXHIBIT "H" EXHIBIT "I"	Well Site Layo					
24. Name & Signature:	Janet Wats	L COX	Tittle: Rive	t for r Gas C		u: <u>12/26/9</u>
(This space for State use only) API Number Assigned:	3-001-3031	<u>L</u>	Approval: Le	Whole	atthews um Eng.	neer



Powers Elevation Co., Inc. of Denver, Colorado has in accordance with a request from Charles Willis for River Gas Corporation determined the proposed location of SAMPINOS #16-131 to be 1150' FNL & 1150' FWL, Section 16 TOWNShip 15 South, Range 10 East, Salt Lake Meridian, Carbon County, Utahi

I hereby state that this man accurate representation of a correct survey showing the proposed location of SERNOS #16-131

Date: <u>October 19, 1995</u>

SURVEYED & DRAWN BY: ED AMMERMAN FILE: \RGC\16-131

Licensed Land Surveyor No. 22-140833-State of Utah

TE OF UTAH DIVISION OF OIL, GAS AND MINING

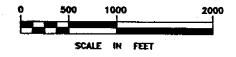
5 Lasse	Designation	and	Serial	Number:
J. Coasc	Scary. Locus.			

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Datontod	1		-

					Patented		
ADDI	CATION FOR PER	MIT TO DRILL	OR DEEPEN	MINING	6, If Indian, Allottee or Tribe Name:		
		DEEPEN []			7, Unit Agreement Name:		
L Type of Work:	DRILL []	DEEPEN []			Norm		
B. Type of Well: OIL	ONE 🗌	8, Farm or Lease Name: Sampinos					
S, Type or West. OIL	9. Well Number:						
Name of Operator:					16-131		
River Gas Co	orp.			_	10 Field and Pool, or Wildcat:		
Address and Telephone Num	nber:	1 25/7	16		Wildcat		
511 Energy	Center Blvd., Nor	tnport, AL 3547	0		11. Otr/Otr, Section, Township, Range,	Meridian:	
At Surface: 1150 At Proposed Producing Zone	FNL & 1150' FWL				NW/NW, Sec. 16, T15S, R10E		
4. Distance in miles and direc	tion from nearest town or post office: Outh of Price, UT				12. County: 13. State Carbon	UTA	
	outil of Titlet, of	16. Number of acres in lease	E		ber of acres assigned to this well:		
 Distance to nearest property or lease line (feet 	: 198'	462.25		16	0		
18. Distance to nearest well, d		19. Proposed Depth:			22. Approximate date work will start: May 1996		
21. Elevations (show whether 5619 GR							
a.	PROP	OSED CASING AND	CEMENTING PRO	OGRAM			
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH		QUANTITY OF CEMENT		
11"	8 5/8"	24#	300'		sx Class G. 15.8 pp	g	
7 7/8"	5 1/2"	17#	1409'	50/	50 Pozmix, tail RFC		
				-			
	SEE EXHIBIT "B	"		-			
					is to drill or deepen directionally, give perti-		
EXHIBITS A' EXHIBIT "A EXHIBIT "B EXHIBIT "C EXHIBIT "D EXHIBIT "E EXHIBIT "F EXHIBIT "G EXHIBIT "H EXHIBIT "I	" Location Plat " Drilling Progr " BOPE Diagram " Surface Use Pl " Proposed Locat " Typical Road X " n/a " Well Site Layo	am an ion/Access -section					
24. Name & Signature:	Janet Wat	tox	Ager	nt for er Gas		(26)	
(This space for State use on API Number Assigned:	9-007-303	//	Approval:	W the	Partheus leum Engi ns	e	

(See Instructions on Reverse Side)

3/6/96



Powers Elevation Co., Inc. of Denver, Colorado has in accordance with a request from Charles Willis for River Gas Corporation determined the proposed location of SAMPINOS #16-131 to be 1150' FNL & 1150' FWL, Section 16, Township 15 South, Range 10 East, Salt Lake Meridian, Carbon County, Utah

2625.6°

I hereby state that this plat is an accurate representation of a correct survey showing the proposed location of SAMPINOS #16-131.

Date: October 19, 1995

S 89°50' W

SURVEYED & DRAWN BY: ED AMMERMAN FILE: \RGC\16-131 V. Melson

Licensed Land Surveyor No. 22-140833-2201 State of Utah

EXHIBIT "B"

DRILLING PROGRAM

Attached to Form 3 River Gas Corp. #16-131 Sampinos NW/4 NW/4, Sec. 16, T15S, R10E 1150' FNL & 1150' FWL Carbon County, Utah

1. The Geologic Surface Formation

Mancos Shale

2. Estimated Tops of Important Geologic Markers.

Blue Gate/Ferron 1060' Ferron/Tununk 1339'

3. Projected Gas & H2O zones (Ferron Formation)

Sandstones and coals - 1069' to 1219'

No groundwater is expected to be encountered.

Casing & cementing will be done to protect potentially productive hydrocarbons, lost circulation zones, abnormal pressure zones, and prospectively valuable minerals deposits. All indications of usable water will be reported.

Surface casing will be tested to 1400 psi.

4. The Proposed Casing and Cementing Programs

HOLE SIZE	SETTING DEPTH (INTERVAL)	SECTION LENGTH	SIZE (OD)	WEIGHT, GRADE & JOINT	NEW, USED
11	300'	300'	8 5/8	24#	new
7 7/8	1409'	1409'	5 1/2	17#	new

Cement Program

Surface Casing: 110 sx Class G, 15.8 ppg cement

Production Casing: 50/50 Pozmix and tail in with RFC. The 50/50

Pozmix accounts for 75% total cement, RFC 25%.

Total sx cement 165. Cement volumes will vary depending on formations encountered and hole conditions.

The following shall be entered in the driller's log:

- Blowout preventer pressure tests, including test pressures and results;
- (2) Blowout preventer tests for proper functioning;
- (3) Blowout prevention drills conducted;
- (4) Casing run, including size, grade, weight, and depth set;
- (5) How the pipe was cemented, including amount of cement, type, whether cement circulated, location of the cementing tools, etc.;
- (6) Waiting on cement time for each casing string;
- (7) Casing pressure tests after cementing, including test pressures and results.

5. The Operator's Minimum Specifications for Pressure Control

EXHIBIT "C" is a schematic diagram of the blowout preventer equipment. A double gate 3000 psi BOPE will be used with a rotating head. This equipment will be tested to 1400 psi. All tests will be recorded in a Driller's Report Book. Physical operation of BOP's will be checked on each trip.

6. The Type and Characteristics of the Proposed Circulating Muds

0-300 11" hole Drill with air, will mud-up if necessary 300-1439 7 7/8" hole Drill with air. 400 psi @ 1500-1800 Scf.

7. The Testing, Logging and Coring Programs to be Followed

0-300 Gamma Ray
300-TD Gamma Ray, Density, Neutron Porosity,
Induction, Caliper

Any Anticipated Abnormal Pressures or Temperatures

No abnormal pressures or temperatures have been noted or reported in wells drilled in the area nor at the depths anticipated in this well. Bottom hole pressure expected is 691 psi maximum.

No hydrogen sulfide or other hazardous gases or fluids have been found, reported or are known to exist at these depths in the area.

8. Anticipated Starting Date and Duration of the Operations.

The well will be drilled in May 1996.

Verbal and/or written notifications listed below shall be submitted in accordance with instructions from the Division of Oil, Gas & Mining:

- (a) prior to beginning construction;
- (b) prior to spudding;
- (c) prior to running any casing or BOP tests;
- (d) prior to plugging the well, for verbal plugging instructions.

Spills, blowouts, fires, leaks, accidents or other unusual occurrences shall be reported to the Division of Oil, Gas & Mining immediately.

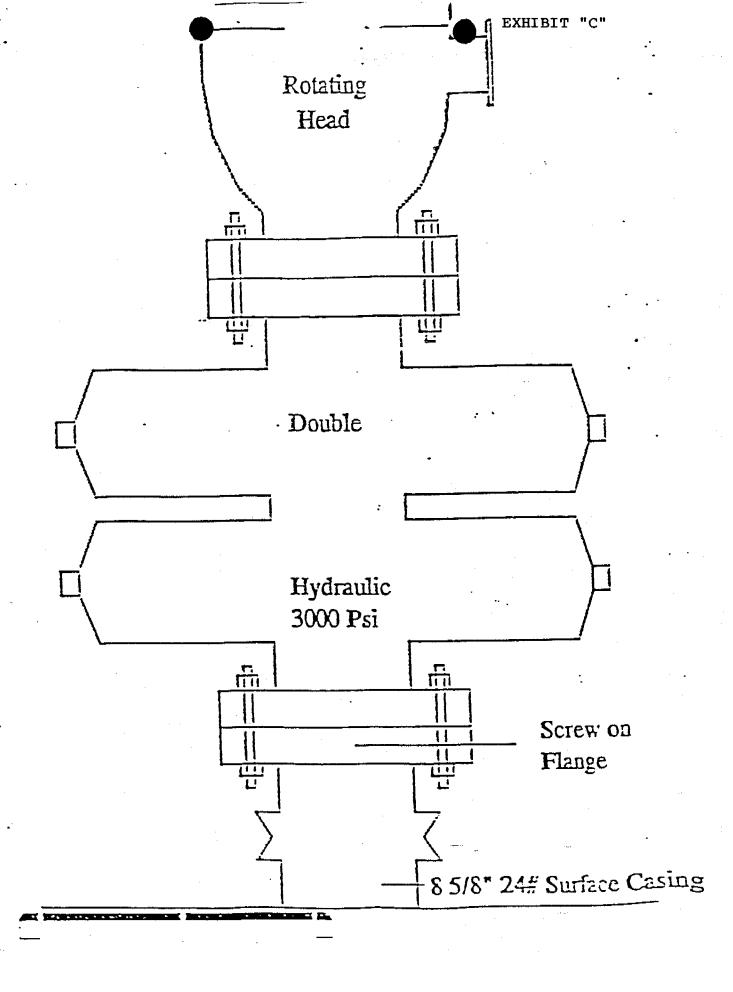


EXHIBIT "D"

MULTIPOINT SURFACE USE PLAN

Attached to Form 3
River Gas Corp.
#16-131 Sampinos
NW/4 NW/4, Sec. 16, T15S, R10E
1150' FNL & 1150' FWL
Carbon County, Utah

1. EXISTING ROADS

- A. See Exhibit "E". We do not plan to change, alter or improve upon any existing state or county roads. Existing roads will be maintained in same or better condition.
- B. From intersection State Hwys. 6 & 10 in Price, travel south on Hwy. 10 for 5.2 miles (2-lane crowned) to County Road 5800 South on left, then easterly .49 mile to beginning of access to #17-133, then north ±1150', the east on proposed access to #16-132 ±2600', then north to location, ±2900'.

2. PLANNED ACCESS

See Exhibit "E". 2900' of new access is required.

- A. Maximum Width: 14' travel surface with 27'base
- B. Maximum grade: 2%
- C. Turnouts: None
- D. Drainage design: Culverts may be required. Water will be diverted around well pad as necessary.
- E. Cuts and fills: None
- F. Surfacing materials: 4" sand and gravel if necessary.
- G. Gates, cattleguards, fence cuts: None

If well is productive, road will be surfaced and maintained as necessary to prevent soil erosion and accommodate year-round traffic.

3. LOCATION OF EXISTING WELLS

A. See Exhibit "E". There are no existing wells within one mile of the proposed location.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

- A. If the well is a producer, installation of production facilities will be as shown on EXHIBIT "H". Buried powerlines run along access on the east or north, gathering lines on the south or west.
- B. Rehabilitation of all pad areas not used for production facilities will be made in accordance with landowner stipulations.

5. LOCATION AND TYPE OF WATER SUPPLY

- A. Water to be used for drilling will be purchased from the Price River Water Improvement District (tel. 801-637-6350). This has been arranged by Mr. Michael J. Farrens, Vice President of River Gas Corp. Utah Operations. He has been in contact with Mr. Phillip Palmer. Mr. Farrens has discussed this arrangement with Mark Page of the Division of Water Rights (tel. 801-637-1303) over the telephone. The Division of Water Rights is to furnish the Oil & Gas Division with a letter of approval concerning this matter.
- B. Water will be transported by truck over approved access roads.
- C. No water well is to be drilled for this location.

6. SOURCE OF CONSTRUCTION MATERIALS

- A. Any construction materials needed will be obtained locally and hauled to the location on existing roads.
- B. No construction or surfacing materials will be taken from Federal/Indian land.

7. METHODS FOR HANDLING WASTE DISPOSAL

A. As the well will be air drilled, a small reserve pit will be constructed with a minimum of one-half the total depth below the original ground surface on the lowest point within the pit. The pit will not be lined unless conditions encountered during construction warrant it. Three sides of the reserve pit will be fenced within 24 hours after completion of construction and the fourth side within 24 hours after drilling operations cease with

four strands of barbed wire, or woven wire topped with barbed wire to a height of not less than four feet. The fence will be kept in good repair while the pit is drying.

B. Following drilling, the liquid waste will be evaporated from the pit and the pit backfilled and returned to natural grade.

No liquid hydrocarbons will be discharged to the reserve pit or location.

- C. In the event fluids are produced, any oil will be retained in tankage until sold and any water produced will be retained until its quality can be determined. The quality and quantity of the water will determine the method of disposal.
- D. Trash will be contained in a portable metal container and will be hauled from location periodically and disposed of at an approved disposal site. Chemical toilets will be placed on location and sewage will be disposed of at an appropriate disposal site.

8. ANCILLARY FACILITIES

A. We anticipate no need for ancillary facilities with the exception of three trailers to be located on the drill site.

9. WELLSITE LAYOUT

- A. Available topsoil will be removed from the location and stockpiled. If ground frost prevents the segregation and removal of the topsoil material from the less desirable subsoil material, cross-ripping to the depth of the topsoil material may be necessary. Location of mud tanks, reserve and burn pits, and soil stockpiles will be located as shown on the attachments.
- B. A blooie pit will be located 150' diagonally from the drill hole. A line will be placed on the surface from the center hole to the burn pit. Burn pit will not be lined, but will be fenced on four sides to protect livestock/wildlife.
- C. Access to the well pad will be as shown on Exhibit "E".
- D. Natural runoff will be diverted around the well pad.

10. PLANS FOR RESTORATION OF SURFACE

- A. All surface areas not required for producing operations will be graded to as near original condition as possible and contoured to maintain possible erosion to a minimum.
- B. Available topsoil will be stockpiled and will be evenly distributed over the disturbed areas and the area will be reseeded as prescribed by the landowner.
- C. Pits and any other area that would present a hazard to wildlife or livestock will be fenced off when the rig is released and removed.
- D. Any oil accumulation on the pit will be removed or overhead flagged as dictated by then existing conditions.
- E. Date of commencement will be May, 1996. Rehabilitation will commence following completion of the well. Rat and mouse holes will be filled immediately upon release of the drilling rig from the location. If the wellsite is to be abandoned, all disturbed areas will be recontoured to the natural contour as is possible.

11. SURFACE OWNERSHIP

A. The wellsite and access road will be constructed on lands owned by John Sampinos, 950 North 300 East, Price, UT 84501. The operator shall contact the landowner and the Division of Oil, Gas & Mining 48 hours prior to beginning construction activities.

12. OTHER INFORMATION

The surface is irrigated farmland. A mobile home is 1400' southwest. The nearest dwelling is in the NE/4 Sec. 16, T15S, R10E. Nearest live water 100' south (Carbon Canal).

If there is snow on the ground when construction begins, it will be removed before the soil is disturbed, and piled downhill from the topsoil stockpile location.

The backslope will be constructed no steeper than 4:1, the foreslope no steeper than 4:1.

All equipment and vehicles will be confined to the access road and well pad.

A complete copy of the approved Application for Permit to Drill (APD) including conditions and stipulations, shall be on the wellsite during construction and drilling operations.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the Division of Oil, Gas & Mining.

13. COMPANY REPRESENTATIVE

THROUGH A.P.D. APPROVAL

Janet Watson
Agent/Consultant for
River Gas Corp.
P. O. Box 440889
Aurora, Co. 80044
(303) 321-2217

FIELD REPRESENTATIVE

Steve Prince (801) 637-8876 M-(801) 636-5256

MAIL APPROVED A.P.D. TO

Terry Burns River Gas 511 Energy Cntr, Blvd. Northport, AL 35476 (205) 759-3282

DIRT CONTRACTOR

NELCO Larry Jensen (801) 637-3495 M-(801) 636-5268

14. CERTIFICATION

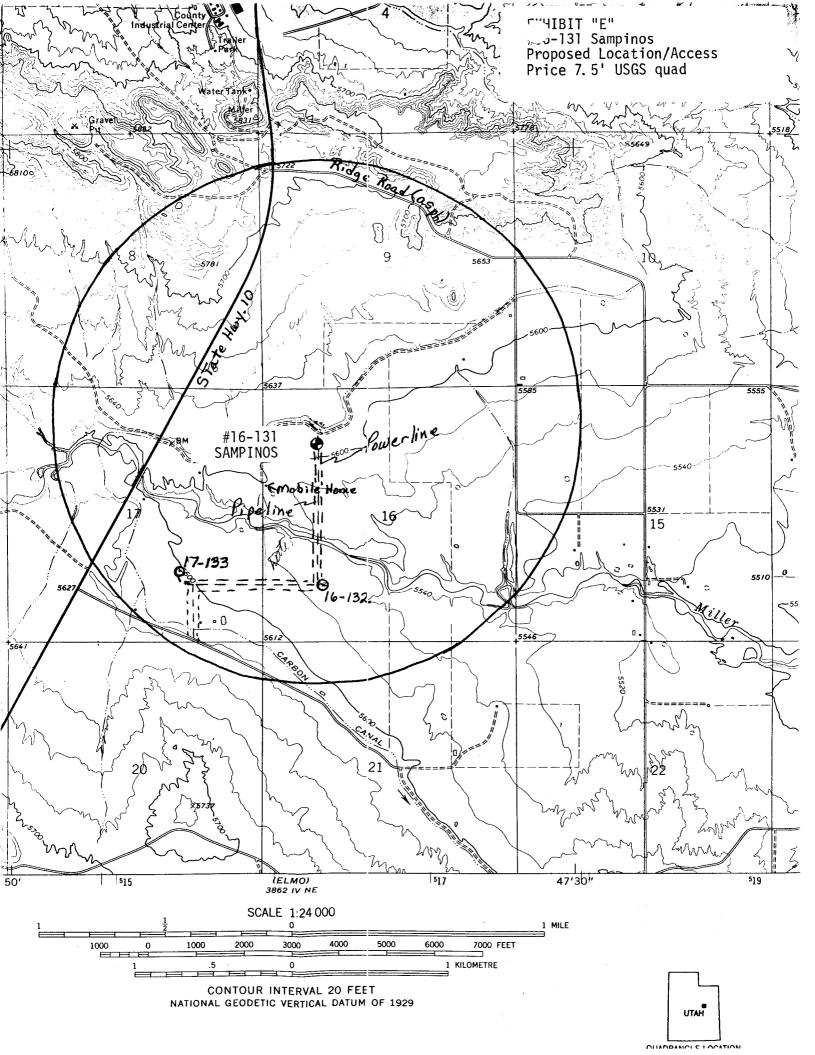
I hereby certify that I, or persons under my direct supervision have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct, and that the work associated with the operations proposed herein will be performed by River Gas Corp. and its subcontractors in conformity with this plan and the terms and conditions under which it is approved.

12/26/95

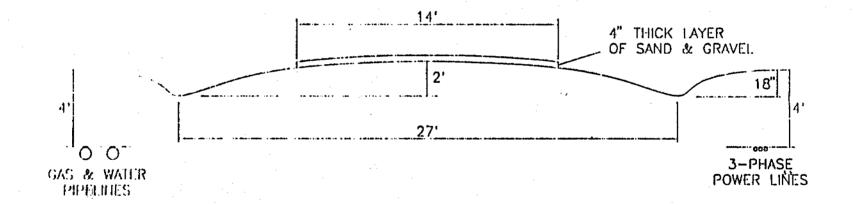
Date

Jamet Watson

Agent for River Gas Corp.

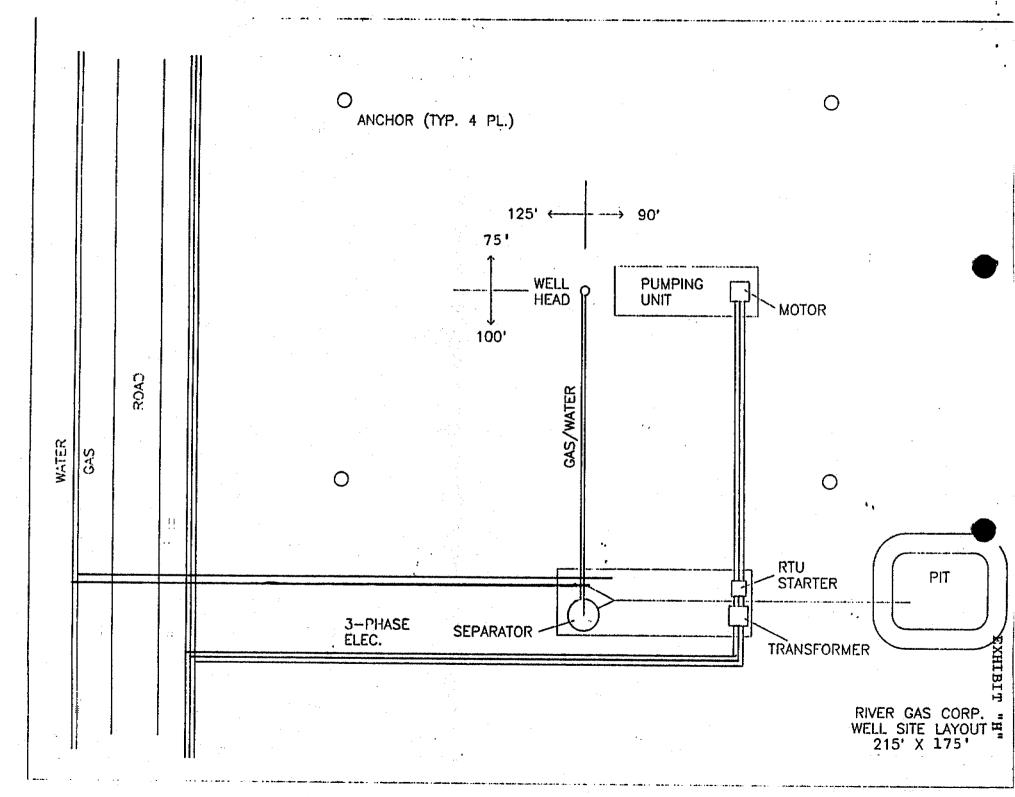


RIVER GAS CORPORATION



TYPICAL ROAD CROSS-SECTION

NOT TO SCALE



, t ~

EXHIBIT "I"

AMSOUTH EANK OF ALABAMA
1900 FIFTH AVENUE NORTH
BIRMINGHAM, ALABAMA 35203 USA
OUR REFERENCE NUMBER: 5300586

International Services

Birmingham:

TELEX: 6827189 Cable: AMSOUBKBHM

S.W.I.F.T. AMSB US 44

Mobile:

TELEX: 6821116 Cable: AMSOMBL S.W.I.F.T. AMSB US 44

AMENDMENT NUMBER: 002 TO LETTER OF CREDIT NUMBER: 5308586 DATE: NOVEMBER 13, 1995

BENEFICIARY:
STATE OF UTAH
DEPT. OF NATURAL RESOURCES
DIV. OF OIL, GAS AND MINING
355 WEST TEMPLE 3 TRIAD CENTER --SUITE 350
SALT LAKE CITY, UTAH 84180-1203

AT THE REQUEST OF RIVER GAS CORPORATION 3600 WATERMELON ROAD SUITE 204 NORTHPORT, ALABAMA 35476 AND FOR THE ACCOUNT OF SAME

WE HEREBY AMEND OUR LETTER OF CREDIT NUMBER S308586 DATED DECEMBER 3, 1993 OPENED IN YOUR FAVOR AS FOLLOWS:

-ACCOUNT PARTY'S ADDRESS IS CHANGED TO: 511 ENERGY CENTER BLVD NORTHPORT, ALABAMA 35476

**REFERENCES HEREIN TO AMSOUTH BANK N.A. SHALL BE DEEMED TO REFER TO AMSOUTH BANK OF ALABAMA. **

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.
THIS AMENDMENT BECOMES AN INTEGRAL PART OF THE ORIGINAL LETTER OF CREDIT AND IS TO BE ATTACHED THERETO.

AUTHORIZED SIGNATURE

AmSouth Bank

AMBOUTH BANK OF ALABAMA 1900 FIFTH AVENUE NORTH BIRMINGHAM, ALABAMA 35203 USA OUR REFERÊNCE NUMBER: 5304606 EXHIBIT "I"

International Services

Birmingham:

TELEX: 6827189 Cable: AMSOUBKBHM S.W.I.F.T. AMSB US 44

Mobile:

TELEX: 6821116 Cable: AMSOMBL S.W.I.F.T. AMSB US 44

AMENDMENT NUMBER: 005

TO LETTER OF CREDIT NUMBER: \$304606

DATE: NOVEMBER 13, 1995

BENEFICIARY: STATE OF UTAH, DEPARTMENT OF NATURAL RESOURCES, DIVISION OF STATE LANDS AND FORESTRY **#3 TRIAD CENTER SUITE 400** 355 WEST TEMPLE SALT LAKE, CITY, UTAH 84180-1204

AT THE REQUEST OF RIVER GAS CORPORATION 511 ENERGY CENTER BLVD NORTHPORT, ALABAMA 35476

WE HEREBY AMEND OUR LETTER OF CREDIT NUMBER 9304606 DATED DECEMBER 14, 1990 OPENED IN YOUR FAVOR AS FOLLOWS:

-ACCOUNT PARTY'S ADDRESS IS CHANGES TO: 511 ENERGY CENTER BLVD. NORTHPORT, ALABAMA 35476

REFERENCES HEREIN TO AMSOUTH BANK N.A. SHALL BE DEEMED TO REFER TO AMSOUTH BANK OF ALABAMA.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED. THIS AMENDMENT BECOMES AN INTEGRAL PART OF THE ORIGINAL LETTER OF CREDIT AND IS TO BE ATTACHED THERETO.

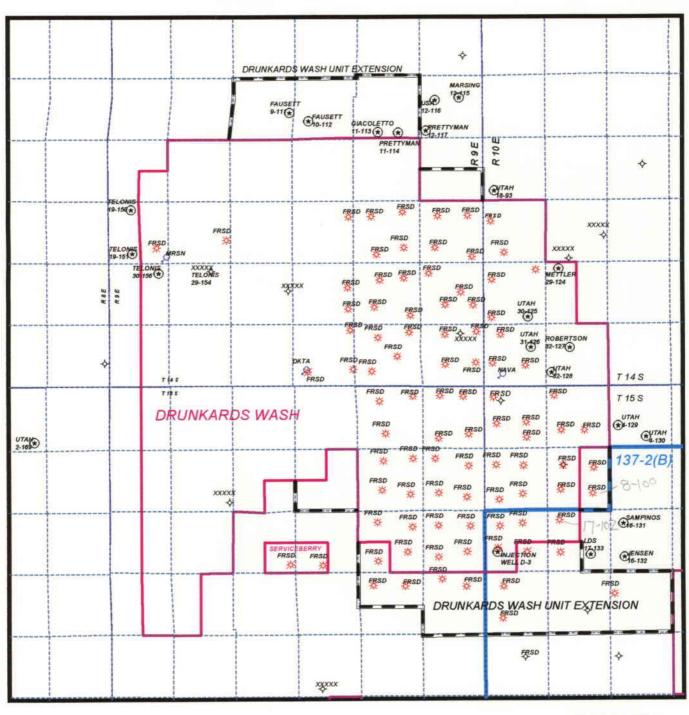
SUTHORIZED SIGNATURE

3 € 1 € 1 15

WORKSHEET APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 12/28/95	API NO. ASSIGNED: 43-007-30311
WELL NAME: SAMPINOS 16-131 OPERATOR: RIVER GAS CORPORATION	(N1605)
PROPOSED LOCATION: 100 1005 NWNW 16 - T15S R10E SURFACE: 1250-FNL-1250-FWL BOTTOM: 1250-FNL-1250-FWL CARBON COUNTY UNDESIGNATED FIELD (002) LEASE TYPE: FEE LEASE NUMBER: PATENTED PROPOSED PRODUCING FORMATION: FRSD	INSPECT LOCATION BY: 05/01/96 TECH REVIEW Initials Date Engineering Geology 7/9/96 Surface 7/9/96
RECEIVED AND/OR REVIEWED: Plat Bond: Federal[] State[] Fee[] (Number Potash (Y/N) Oil shale (Y/N) Water permit (Number RDCC Review (Y/N) (Date:)	LOCATION AND SITING: R649-2-3. Unit: R649-3-2. General. R649-3-3. Exception. Drilling Unit. Board Cause no: 131-18 Date: 175/82
COMMENTS:	
STIPULATIONS:	

RIVER GAS CORPORATION DEVELOPMENT & EXTENSION DRILLING CARBON COUNTY UAC R649-2-3. R649-3-3, & R649-3-2



PREPARED: DATE: 20-FEB-96

DIVISION OF OIL, GAS AND MINING APPLICATION FOR PERMIT TO DRILL STATEMENT OF BASIS

Operator Name: River Gas Corporation
Name & Number: Sampinos 16-131
API Number: 43-007-30311
Location: 1/4,1/4 <u>NW NW</u> Sec. <u>16</u> T. <u>15S</u> R. <u>10E</u>
Geology/Ground Water:
There are no aquifers with high quality ground water expected to be encountered. The proposed
casing and cement program will adequately isolate any zones of water penetrated.
Reviewer: _D. Jarvis Date: _7/9/96

Surface:

The Mancos Shale soil is relatively impermeable, stable and not incised or undermined on, or immediately beside, the disturbed area. The nearest moving surface waters are the Carbon Canal (300' upslope) and Miller Creek (2000' away). Because of road and ditch patterns and the canal, the drainage basin is limited so flash-flooding is unlikely to be a problem. Precipitation will be deflected around the location with berms and culverts. There are no nearby culinary of irrigation water supply wells. The site was photographed and characterized on 6/27/96. Provision was made to ensure site rehabilitation, litter and waste control, preservation of drainage patterns and the integrity of local infrastructure, groundwater and other resources. The well utilities and gas gathering system will follow the approach roadway.

Reviewer: Christopher J. Kierst Date: 7/8/96

Conditions of Approval/Application for Permit to Drill:

- 1) Culvert outside pad berm.
- 2) berm location and pit.
- 3) Site infrastructure as per modified drilling location plat.
- 4) Descretionary native clay lined pit.
- 5) Compliance with local ordnances as well as DOGM requirements.
- 6) Low water crossing across Miller Creek.
- 7) Receipt of plats for location (surveyed) and drill pad.

ON-SITE PREDRILL EVALUATION

Division of Oil, Gas and Mining

OPERATOR: River Gas Corporation
WELL NAME & NUMBER: Sampinos 16-131
API NUMBER: 43-007-30311
LEASE: Fee (Sampinos) FIELD/UNIT: undesignated
LOCATION: 1/4,1/4 <u>NW NW</u> Sec: <u>16</u> TWP: <u>158</u> RNG: <u>10E</u> F <u>N</u> L F <u>W</u> L
LEGAL WELL SITING:'F SEC. LINE;'F 1/4,1/4 LINE;F ANOTHER WELL.
GPS COORD (UTM): 516,232; 4,374,792
SURFACE OWNER: John and Toula Sampinos
PARTICIPANTS C. Kierst (DOGM), S. Prince (RGC), L. Jensen (Nelco), N. Sampinos (Sampinos family) REGIONAL/LOCAL SETTING & TOPOGRAPHY Mancos Shale lowlands east of Wasatch Plateau (11 miles east)/ flat ground 1.25 miles south of Mancos Shale-derived alluvial erosional remnants, Gentle slope to Miller Creek (approximately 2000 feet
south) and with Carbon Canal upslope, 300' north.
SURFACE USE PLAN CURRENT SURFACE USE: Agricultural land and wildlife habitat.
PROPOSED SURFACE DISTURBANCE: 215' X 145' pad with 50' X 50' X 6' attached pit and approximately 2900' approach road. There is no correct certified surveyed location plat available yet. The prior version was incorrect anyway and required a change. The well location and pad dimensions were changed to accommodate the surface owner's representative.
LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: 17-102 and 8-100. Proposed wells 17-133 and 16-132 are currently in the permit process.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: Nearest residential
utilities are nearly one mile southwest of the location. Well
utilities and gathering system will follow approach road. Production infrastructure will be typical and include four rig anchors, pumping
unit, RTU starter, separator, pit and transformer.
mile, Kio scalcer, separacor, pic and cransformer.
SOURCE OF CONSTRUCTION MATERIAL: gravel location and approach road with local materials; soil stored in berm.
WICH IOCAL MACCILATO, DOLL DOSICA III DOLM.
ANCILLARY FACILITIES: none
WASTE MANAGEMENT PLAN:
Portable toilets; garbage cans on location will be emptied into
centralized dumpsters which will be emptied into an approved landfill.
centrarized dumpsters which will be emptred into an approved landriff.
ENVIRONMENTAL PARAMETERS
A PROPERTY DE CORDE A INC. AND COR MEDITANDO. While I have in the cor
AFFECTED FLOODPLAINS AND/OR WETLANDS: This location is in an
occasionally irrigated pasture, approximately 2000' from Miller Creek
and 300' from Carbon Canal (which is upslope).
FLORA/FAUNA: grass, russian olive, cottonwood / birds, deer, lizards, coyotes, rodents
SOIL TYPE AND CHARACTERISTICS: light gray and bentonitic: a low
permeability.
SURFACE FORMATION & CHARACTERISTICS: Mancos Shale, light gray,
bentonitic
EROSION/SEDIMENTATION/STABILITY: stable ground
PALEONTOLOGICAL POTENTIAL: poor
RESERVE PIT
CHARACTERISTICS: natural soil, dugout and bermed to deflect runoff.
Dimensions may change to accomodate possible subsequent landowner use.
LINER REQUIREMENTS (Site Ranking Form attached): native clay
(descretionary)
SURFACE RESTORATION/RECLAMATION PLAN
As per surface agreement.
THE POT DOLLAGO AMEGINETIC.

SURFACE AGREEMENT: Affidavit of surface agreement in file.	_
CULTURAL RESOURCES/ARCHAEOLOGY: none	_
OTHER OBSERVATIONS/COMMENTS At least two culverts on approach road, including outside pad berm. Dredge and Fill permit required for low water crossing (slight "S" curve required to negotiate Miller Creek). Must receive copies of revised APD, revised section plat and copy of drilling layout plat from operator.	- - -
ATTACHMENTS:	
4-5 photographs	
Chris Kierst 7/8/96 11:30 AM	



Evaluation Ranking Criteria and Ranking Score For Reserve and Onsite Pit Liner Requirements

Site-Specific Factors	Ranking	Site Ranking
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	0
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15 20	10
< 100	20	<u></u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	
Distance to Other Walls (fast)		
Distance to Other Wells (feet) >1320	0	
300 to 1320	10	
<300	20	10
2300	20	
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	0
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid	15	
containing significant levels of	••	_
hazardous constituents	20	0
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	o
Annual Precipitation (inches)		
<10	0	
10 to 20	_. 5	
>20	10	5
Affected Populations		
Affected Populations <10	0	
10 to 30	6	
30 to 50	8	
>50	10	6
		 _
Presence of Nearby Utility		
Conduits		
Not Present	0	
Unknown	10	•
Present	15	0

Sampinos 16-131

COUNTY OF TUSCALOOSA

AFFIDAVIT CONCERNING SURFACE OWNER CONSENT REGARDING WELL SITE CONSTRUCTION

JOSEPH L. STEPHENSON, being first duly sworn upon his oath, deposes and states:

- 1. I am Vice President Land of River Gas Corporation ("RGC"), an Alabama corporation duly authorized to transact business in the State of Utah, and am authorized to execute this Affidavit on behalf of said corporation.
- 2. As Vice President Land, I am responsible for supervision of lease records and reviewing title records and legal opinions affecting lands where RGC proposes to conduct operations, and obtaining surface land use agreements associated with the development of leased mineral rights.
- 3. RGC proposes to drill a coalbed methane gas well named the Sampinos 16-131 located in the NW1/4 of NW1/4 of Section 16. T15S. R10E. Carbon County. Utah, the surface area affected by the proposed well site being owned by John N. Sampinos and wife. Toula Sampinos (hereafter called "fee owner").
- 4. As evidenced by copy of MEMORANDUM OF SURFACE LAND USE AGREEMENT dated March 29. 1996 attached hereto as Exhibit "A", and by this reference incorporated herein, the above described fee owner of the Sampinos 16-131 well site agreed to certain surface use as described therein.
- 5. The matters stated herein are true of my own knowledge, except to any matters stated herein upon information and belief, and, as to those matters, I believe them to be true.

DATED this 22nd day of May, 1996.

OSEPH L. STEPHENSON

Subscribed, sworn and acknowledged to and by Joseph L. Stephenson before me this 22nd day of May, 1996.

(SEAL)

My Commission Expires: 3/8/98

NOTARY PUBLIC' Residing at:

1429 20th Avenue East Tuscaloosa, AL 35404

DECETVED

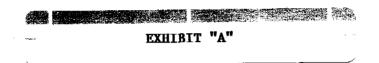
MAY 8 0 1896

DIV. OF OIL, GAS & MINING

OOO54936 Bk00371 Pg00837-00840

ANN B. O'BRIEN-COUNTY OF CARBON 1996 MAY 13 14:42 PM FEE \$17.00 BY REQUEST: JOSEPH STEPHENSON

STATE OF UTAH COUNTY OF CARBON



WHEN RECORDED RETURN TO:

William L. Kirk, Jr. - Land Department River Gas Corporation 511 Energy Center Blvd. Northport, Alabama 35476

MEMORANDUM OF SURFACE LAND USE AGREEMENT

THIS MEMORANDUM OF SURFACE LAND USE AGREEMENT, dated effective the 29th day of March, 1996, is by and between John N. Sampinos and wife, Toula Sampinos whose address is 950 North 300 East, Price, Utah 84501, (hereinafter referred to as "Grantor"), and River Gas Corporation, an Alabama corporation authorized to conduct to business in the state of Utah, with an address of 511 Energy Center Boulevard, Northport, Alabama 35476 (hereinafter referred to as "Grantee").

Grantor, in consideration of the covenants and agreements contained in that certain unrecorded Surface Land Use Agreement (the "Agreement") dated March 29, 1996, granted, and does hereby grant unto Grantee certain rights to enter upon and use certain lands (the "Lands") located in the County of Carbon, State of Utah, as described on Exhibit "A" attached hereto and made a part of this Memorandum of Surface Land Use Agreement, for the purpose of building access roads, pipelines and appurtenances thereto, power lines, and well sites for the drilling of a coalbed degasification wells on said property until such time as Grantee abandons said lands in accordance with the terms and conditions specified in said Agreement.

The Lands are subject to all of the terms and conditions of the Agreement, reference to which may be made for a complete statement of rights and obligations of Grantor and Grantee. Copies of the Agreement may be found at the above indicated addresses of the parties and are available for review during regular business hours by any party having a vested interest in the Agreement.

This Memorandum of Surface Land Use Agreement may be executed in any number of counterparts and shall be binding upon all parties executing the same or a counterpart hereof.

This Memorandum of Surface Land Use Agreement is to be placed of record to serve as notice of the execution and existence of said Agreement, and is in no way to supersede, abrogate, change or modify any of the terms, conditions, rights or obligations of any of the parties, all of which are set forth in detail in said Agreement. The terms and conditions of said Agreement are made a part hereof by reference for all purposes, to be the same effect as though written in extenso herein. All the terms, conditions and covenants of the Agreement shall be binding upon and shall inure to the benefit of the successors and assigns, respectively, of each of the parties hereto.

IN WITNESS WHEREOF, Grantor and Grantee have executed this Memorandum of Surface Land Use Agreement as of the dates of the respective acknowledgments.

Dated: 12/1/4, 1996	Grantor:	
	John 11 Sump	221
	John N. Sampinos	
	Toula Sampinos	2
***********************	· * * * * * * * * * * * * * * * * * * *	***************
TATE OF UTAH OUNTY OF CARBON		
foresaid to take acknowledgments, person to be the person(s) described he	before me, a Notary Public duly authorized nally appeared John N. Sampions and wife crein and who executed the foregoing instruments of the same, voluntarily signed and decrein mentioned.	e, Toula Sampinos nent and acknowledge
iven under my hand and official seal, this	the 445 day of April	, 1996.
NICK 80	NYLA NOYES RY PUBLIC - STATE OF UTAH SAMPINOS, ATTORNEY AT LAW WHAT WAS TO MAIN NO 201 PRICE, UTAH 84501 MM, EXP.11-17-93)	
My Commission Expires:	Notary Public	
	Address: Luce Uta	<u>L</u>
	00054975 NM271	D-00878

Dated: MArch 29 ,1996.	Grantee:
	RIVER GAS CORPORATION
	By: Joseph I. Stephenson Its Vice President - Land
**************	· ·***********************************
STATE OF ALABAMA COUNTY OF TUSCALOOSA	
Joseph L. Stephenson, whose name as Vice Presid foregoing instrument, and who is known to me, acknown to me, ac	in and for said County in said State, hereby certify that ent - Land of River Gas Corporation, is signed to the owledged before me on this day that, being informed of with full authority, executed the same voluntarily for and
IN WITNESS WHEREOF, I have hereunto s day of, 1996.	set my hand and affixed my notarial seal this the <u>a</u>
(Affix Seal) Notary Pacidi	_

My Commission Expires: My Commission Expires 4-9-97.

Exhibit "A" Sampinos Memorandum of Surface Land Use Agreement Page 1 of 1

Attached to and made a part of that certain Memorandum of Surface Land Use Agreement effective the 29th day of March, 1996 by and between John N. Sampinos and wife, Toula Sampinos as Grantor and River Gas Corporation as Grantee.

- 1-A. A well location approximately two hundred foot (200') by two hundred fifty foot (250') (1.15 acres) in the NW/4 of NW/4, Section 16, T15s-R10e, SLM, (RGC/Sampinos 16-131).
- 1-B. A road/pipeline/powerline right-of-way forty foot (40') wide by two thousand two hundred foot (2,200') long (134 rods) (2.02 acres) more or less, located in the Center Part of W/2 Section 16, T15s-R10e, SLM, which is needed for access to the RGC/Sampinos 16-131 Well (Well location 1-A).

Signed for Identification

John N. Sammings

John N. Sampmos

Joseph L. Stephenson

Toula Sampinos



State of Utah DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt Governor Ted Stewart

Executive Director

James W. Carter

Division Director

355 West North Temple 3 Triad Center, Suite 350 Salt Lake City, Utah 84180-1203 801-538-5340 801-359-3940 (Fax)

Division Director 801-538-5319 (TDD)

August 6, 1996

Steven Prince River Gas Corporation 1305 South 100 East Price, Utah 84501

Re: <u>Sampinos 16-131 Well, 1150' FNL, 1150' FWL, NW NW, Sec. 16, T. 15 S., R. 10 E., Carbon County, Utah</u>

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-007-30311.

Sincerely,

R. J. Firth

Associate Director

lwp

Enclosures

cc: Carbon County Assessor

Bureau of Land Management, Moab District Office



Operator: _		River Gas Corporation					
Well Name & :	Number: _	<u> Jens∈</u>	n- 16-1	31 <	zampino	>=	
API Number:			7-3031				
Lease:		FEE					
Location: _	NW NW	_ Sec	16	т.	15 S.	R.	10 E.

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for Permit to Drill.

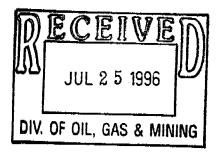
2. Notification Requirements
Notify the Division within 24 hours following spudding the well or commencing drilling operations. Contact Jimmie Thompson at (801)538-5336.

Notify the Division prior to commencing operations to plug and abandon the well. Contact Frank Matthews at (801)538-5334 or Mike Hebertson at (801)538-5333.

- 3. Reporting Requirements
 All required reports, forms and submittals shall be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.
- 4. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis dated July 9, 1996 (copy attached).

STATE OF UTAH

	D8 //O/ON O	C OUL OAC AND MAKE	IINIO				
DIVISION OF OIL, GAS AND MINING				5. Lease Designation and Serial Number: Patented Land			
				6. If Indian, Allottee or Tribe			
APPLICATION FOR PERMIT TO DRILL OR DEEPEN				N/A			
1A. Type of Work: DF	RILL 🛛	DEEPEN 🗌		7. Unit Agreement Name:			
B. Type of Well: OIL GAS OTHER: SINGLE ZONE MULTIPLE ZONE				8. Farm or Lease Name: Sampinos			
2. Name of Operator: Riv	er Gas Corporation			9. Well Number: 16-131			
3. Address and Telephone Num		East, Price, UT 84	l501 (801)637-88°	76 Wildcat			
4. Location of Well (Footages) At Surface: 1210'	FNL, 1065' FWL			11. Qtr/Qtr, Section, Towns NW/NW Sect	ship, Range, Meridian: ion 16, T15S, R10E,		
At Proposed Producing 2	•			SLB&M	SLB&M		
14. Distance in miles and direct 6.3 miles south	tion from nearest town or post office ${ m of\ Price,\ UT}$	3:		12. County: Carbon	13. State: UTAH		
			17. Number of acres assigned to 160 acres	this well:			
 Distance to nearest well, dr completed, or applied for, or 	B. Distance to nearest well, drilling, completed, or applied for, on this lease (feet): N/A 19. Proposed Depth: 20. Rotary or cable tools: Rotary						
21. Elevations (show whether DF, RT, GR, etc.):			22. Approximate date work August 1996	will start:			
23.	PROP	OSED CASING AND	CEMENTING PRO	OGRAM			
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTIT	Y OF CEMENT		
11"	J55, 8-5/8"	24.0 ppf	300'	110 sx class G, 15.8 ppg			
7-7/8"	J55, 5-1/2"	17.0 ppf	1409'	50/50 Pozmix, tail RFC			
	GRAM: If proposal is to deepen, giver sured and true vertical depths. Give			one. If proposal is to drill or deepen	directionally, give pertinent data on		

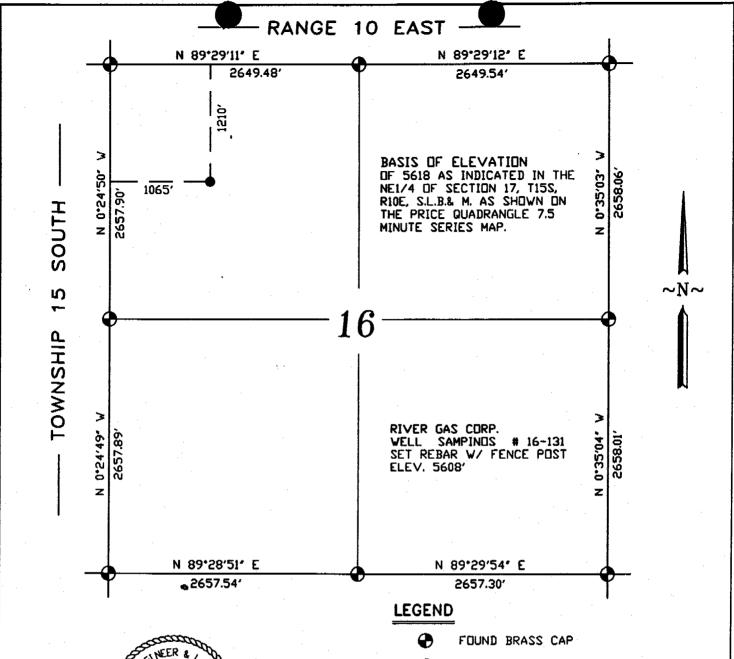


	1		
Name & Signature: Steven L. Prince	Hwen L. Prince	Title: Regulatory Manager	Date: 7/23/96
(This space for state use only) API Number Assigned 43-007 - 3		Approved TO With	2/1/4

(1/93)

(See Instructions on Reverse Side)

The Natthews Engineer 8/6/96



WAR WITH A DOLLAR

ENGINEER'S CERTIFICATE

I, EVAN E. HANSEN, DO HEREBY CERTIFY THAT I AM A REGEISTERED LAND SURVEYOR AND PROFESSIONAL ENGINEER HOLDING CERTIFICATE NUMBER 145656 AS PRESCRIBED UNDER THE LAWS OF THE STATE OF UTAH. I FURTHER CERTIFY THAT I HAVE MADE A SURVEY OF THE TRACT OF GROUND SHOWN AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

Evan F. Hansen

7444 15, 1996

REVISED 7/11/96

- SEARCHED FOR BUT NOT FOUND
- FOUND ROCK CORNER

BASIS OF BEARING

BASIS OF BEARING N 89°29'11" E MEASURED BETWEEN THE NW CORNER AND THE N1/4 CORNER OF SECTION 16, TOWNSHIP 15 SOUTH, RANGE 10 EAST, SALT LAKE BASE AND MERIDIAN.

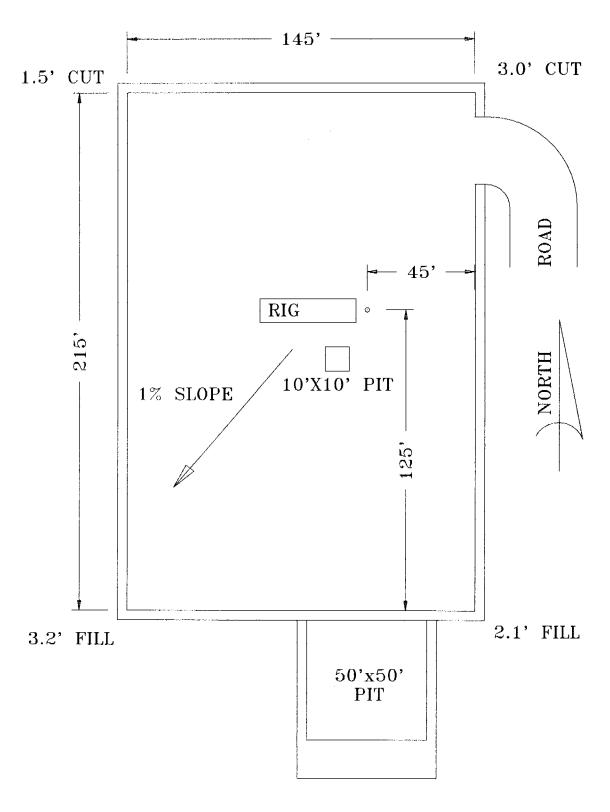
NW/4NW/4 SEC. 16, T15S, R10E, S.L.B.& M.

Empire Engineering

1665 E. Sagewood Rd. Price, Utah 84501

RIVER GAS CORP.
WELL SAMPINOS # 16-131

Drawn By: RCH	Approved By: EEH	
Date: 6/26/96	Scale: 1"=1000'	EEOG-96131



SAMPINOS 16-131 NW/NW, SECTION 16, T15S,R10E RIVER GAS CORPORATION LOCATION LAYOUT JULY 23, 1996

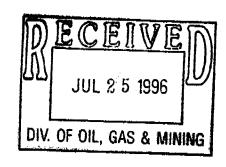


RIVER GAS CORPORATION

UTAH OPERATIONS 1305 South 100 East Price, Utah 84501 Bus. (801) 637-8876 FAX (801) 637-8924

July 23, 1996

Mr. Christopher Kierst Division of Oil, Gas and Mining 1594 West North Temple, Suite 1210 Post Office Box 145801 Salt Lake City, Utah 84114-5801



Dear Chris:

Please find attached the revised APD cover (Form 3) and new location and site layout plats for the Sampinos 16-131, which was relocated per request from the surface owner's representative, Nick Sampinos. In addition, I am including a site layout plat for the LDS 17-133 which was not included in the original APD submission.

Thank you for the time you take to process our APDs in a timely manner. Please contact me if you have any questions concerning the attached plats.

Sincerely,

Steven L. Prince

Utah Regulatory Manager

cc:

Terry Burns Joey Stephensen

File

Attachments



Michael O. Leavitt Governor Ted Stewart Executive Director James W. Carter Division Director 801-538-5319 (TDD)

355 West North Temple 3 Triad Center, Suite 350 Salt Lake City, Utah 84180-1203 801-538-5340 801-359-3940 (Fax)

August 6, 1996

Steven Prince River Gas Corporation 1305 South 100 East Price, Utah 84501

Amended Approval, Sampinos 16-131 Well, 1210' FNL, 1065' FWL, NW NW, Sec. 16, T. 15 S., R. 10 E.,

Carbon County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. API identification number assigned to this well is 43-007-30311.

Sincerely,

Associate Director

lwp

Enclosures

Carbon County Assessor

Bureau of Land Management, Moab District Office



Operator:	River Gas Corporation					
ell Name & Number: <u>Sampinos 16-131</u>						
API Number:	43-00	7-3031	1			
Lease:	FEE			12 · 10 · 1		
Location: <u>NW NW</u>	Sec	16	Т.	15 S.	R.	10 E.

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for Permit to Drill.

2. Notification Requirements
Notify the Division within 24 hours following spudding the well or commencing drilling operations. Contact Jimmie Thompson at (801)538-5336.

Notify the Division prior to commencing operations to plug and abandon the well. Contact Frank Matthews at (801)538-5334 or Mike Hebertson at (801)538-5333.

- 3. Reporting Requirements
 All required reports, forms and submittals shall be promptly
 filed with the Division, including but not limited to the
 Entity Action Form (Form 6), Report of Water Encountered
 During Drilling (Form 7), Weekly Progress Reports for
 drilling and completion operations, and Sundry Notices and
 Reports on Wells requesting approval of change of plans or
 other operational actions.
- 4. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis dated July 9, 1996 (copy attached).



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt Governor Ted Stewart Executive Director James W. Carter Division Director

1594 West North Temple, Suite 1210 Box 145801 Salt Lake City, Utah 84114-5801 801-538-5340 801-359-3940 (Fax) 801-538-7223 (TDD)

October 17, 1997 LA DATE

Mr. Steven Prince River Gas Corporation 1305 S. 100 E. Price, Utah 84501

Re:

<u>Sampinos 16-131 Well, Sec. 16, T. 15S, R. 10E, Carbon County, Utah,</u> <u>API No. 43-007-30311</u>

Dear Mr. Prince:

Due to excessive time delay in commencing drilling operations, approval to drill the subject well is hereby rescinded, effective immediately.

Please note that a new Application for Permit to Drill must be filed with this office for approval <u>prior</u> to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division of Oil, Gas and Mining immediately.

Sincerely,

Don Staley

Administrative Manager

Oil and Gas

cc:

J.R. Baza

K.M. Hebertson

Well File